

Message

From: Patefield, Scott [Patefield.Scott@epa.gov]
Sent: 12/3/2018 3:01:18 PM
To: Beeler, Cindy [Beeler.Cindy@epa.gov]
Subject: RE: E&E News: Conservative oil state [WY] trumps the president on methane

Thanks, Cindy. Interesting article!

From: Beeler, Cindy
Sent: Friday, November 30, 2018 10:15 AM
To: Garvey, Megan <garvey.megan@epa.gov>; Patefield, Scott <Patefield.Scott@epa.gov>; Morales, Monica <Morales.Monica@epa.gov>
Cc: Fallon, Gail <fallon.gail@epa.gov>; Smith, Claudia <Smith.Claudia@epa.gov>; Ostrand, Laurie <Ostrand.Laurie@epa.gov>; Wilwerding, Joseph <Wilwerding.Joseph@epa.gov>
Subject: E&E News: Conservative oil state [WY] trumps the president on methane

My take-aways:

- WY has stringent air emission requirements (including quarterly leak detection) on operators in the Upper Green River Basin at new/modified and existing facilities, because of ozone exceedance.
- New production is oil located in the eastern part of the state (Powder River Basin).
- WY's new standards are expected to finalize a statewide rule "in the coming weeks" that aim to limit leaks from new/modified wells (UGRB also includes existing facilities). Operators would be required to look for leaks twice a year and repair (UGRB requires quarterly). EPA's current NSPS OOOOa proposal reduces its inspection requirements from twice a year to once a year.
- Reservations of WY O&G operators include not wanting to put anyone out of business and that requirements could become more onerous over time as production drops. John Robitaille (VP - Petroleum Association of WY) said, "This is something we agreed we could accomplish."
- WY has signaled that it's willing to revisit its standards if EPA's latest NSPS OOOOa proposal is finalized.
- What I need to confirm is whether WY is regulating VOCs or methane (headline may be misleading). The UGRB and current state-wide requirements reduce VOC emissions (defined to exclude methane and ethane).

<https://www.eenews.net/climatewire/2018/11/30/stories/1060108297>



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Conservative oil state trumps the president on methane

Benjamin Storrow, E&E News reporter Published: Friday, November 30, 2018

President Trump has spent much of the past two years dismantling methane regulations governing oil and gas wells.

But one conservative state is moving in the opposite direction. Wyoming is expected to finalize a statewide rule in the coming weeks that aims to limit methane leaks from new oil and gas wells.

The rule won't fully replace federal standards, according to environmentalists. EPA is attempting to water down regulations on new wells, and the Bureau of Land Management recently scrapped a rule to prevent well leaks and flaring on public land.

Still, Wyoming's plan represents a major step forward in efforts to cut methane emissions from the oil patch.

"The first thing I would say is any sort of methane emission reduction in Wyoming would have a fairly significant impact overall, simply because the volume produced on federal land in the state is sizable," said Warren King, an energy and climate specialist at the Wilderness Society. "It really helps to illustrate some of

the arguments that we have been making while the BLM revision was being developed, that these are cost-effective and reasonable regulations."

Wyoming accounts for roughly 20 percent of all federal onshore oil production and 43 percent of federal gas production, according to a recent Wilderness Society report. Some 17.7 million cubic feet of methane, the main component of natural gas, was vented, flared or leaked from oil field equipment between 2008 and 2017, the report found. That amounts to roughly \$65 million in lost gas.

The Cowboy State has for several years imposed strict regulations on operators in the Upper Green River Basin, a gas-rich stretch of western Wyoming where ozone emissions once exceeded federal health standards.

Yet much of the new oil production in Wyoming today is happening in the eastern part of the state, in the Powder River Basin. Output there has surged in recent years, though a recent dip in crude prices has raised questions about how long the boomlet will continue.

The state's new standards would extend to the basin, applying to new and modified wells. Operators would be required to check their equipment twice a year for leaks and repair them where needed. The requirement is stricter than the proposal by EPA, which outlined a plan to reduce its inspection requirements to once a year.

Oil and gas operators in Wyoming have reservations about the state plan, but they seem willing to give it a shot. The requirements could become more onerous over time, as production drops and inspection requirements remain the same, said John Robitaille, vice president of the Petroleum Association of Wyoming, a trade group.

The state has signaled that it's willing to revisit its standards if EPA's latest proposal is finalized, he noted.

"I would say we're wading in and trying to get our feet underneath us and learning as we go," Robitaille said. "We're looking at it always, watching it to make sure we don't put anyone out of business. We certainly don't want to do that."

Still, he added, "this is something we agreed we could accomplish."

Wyoming's move means methane could soon be regulated along the spine of the Rockies. Colorado was the first state in the nation to impose leak detection and repair requirements on oil field operators. And New Mexico's

incoming governor has said she intends to cut methane emissions from her state's prolific oil and gas fields (Climatewire, Nov. 26).

Not everyone is moving in the same direction. North Dakota recently weakened its standards on flaring, the practice of burning off excess natural gas. And a patchwork of state rules is a poor substitute for a federal standard, environmentalists said.

Wyoming is illustrative of the dynamic. Unlike its standards in the Upper Green River Basin, Wyoming's new statewide requirements exempt existing oil and gas wells, a large potential source of methane emissions.

Greens are hopeful that the incoming governor, Mark Gordon, a Republican who once did a turn as the head of the local Sierra Club chapter, will take up the task. Gordon pledged on the campaign trail to limit methane waste.

"We continue to think that's an opportunity for the state to take up rules under Gov.-elect Gordon that are modeled on what they've done in the Upper Green," said Jon Goldstein, director of legislative affairs at the Environmental Defense Fund. "I'd say we're optimistic about working with him when he comes into office in January."

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